

Human Resource Information Systems:

An Organizational Necessity

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Abstract

Human Resource Information Systems (HRIS) are extremely vital to many organizations. What is a HRIS? How long has this technology been around and utilized in organizations? How does the use of this technology help support business strategies such as servicing customers? This paper will answer these questions and explore the value of adding this type of information system. Additionally, there are critical considerations that must be evaluated for any organization that is planning on implementing this type of technology. A discussion of this information is to follow.

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Human Resource Managers today recognize the value of and openly speak about the value of a Human Resource Information System (HRIS). Keeping track of 100 or 10,000 employees can be simplified with this technology. This paper will explore this type of database including the technology and its development, how it is utilized in organizations today to include supporting business strategies, and considerations regarding implementation.

Tracking employees' personal information has evolved over time. In the early 1900s, an employee's name and address was prescribed on an index card. Then between 1945 and 1960 organizations developed a more formal process to include manila folders or files with slightly more information. With the widespread use of computers, there was more demand to comply with record keeping requirements and analysis. (Hendrickson, 2003) The role of the Human Resources department has continuously changed in recent years. This department is now responsible for providing management solutions that increase the efficiency and effectiveness of employees, according to Hendrickson (2003). The necessity of having a tracking mechanism for employees was realized mainly in large corporations first. Recently, this technology has been imperative in the management of human resources in organizations of all sizes (Schramm, 2006). There are many options including "single source solutions that bundle services together" or a complete HRIS solution (Flook, 2003).

Various authors describe HRIS in different ways. Heathfield describes the system as "a software or online solution used for "data entry and data tracking" for employees. This system is also utilized by some Payroll and Accounting departments. Hendrickson defines it as "integrated systems used to gather, store, and analyze information regarding an organization's human

resources” (2003). A HRIS, although complex, is extremely beneficial and vital to organizations. According to Lunce (2003), a HRIS model will include seven primary components which includes the ability to strategize, analyze, forecast and plan to name a few. Having a HRIS with the a strategic integration component is especially important as it “gives high level decision makers the information necessary to make long range plans about organizational operations” (Lunce, 2003). Some professionals believe that this solution allows for management to make informed decisions with ease because of the value of the information. (Hussain, Wallace, and Cornelius, 2007). One study reported that a HRIS led to fewer errors within the HR department. (Desanctis, 1986).

This technology packages the key employee information into a computerized or non computerized database. “An HRIS is not limited to the computer hardware and software applications that comprise the "technical" part of the system” (Hendrickson, 2003). Most HRIS systems are effective for tracking attendance, PTO (paid time off) use, merit increases, performance evaluations, pay grades and positions held, training, disciplinary action, applicant tracking, resume management, and former employee information (Heathfield). Therefore, organizations must customize the software to their environment.

Various HRIS packages will provide self-serving technology for employees. This technology shifts the responsibility for updating employee records to the employee themselves. It is usually utilized through web technology and is designed to be self explanatory with an easy to use feel (Targowski & Despande, 2001). This is beneficial in that selecting and updating benefit information, making changes to personal information, printing W2 forms, and requesting reprints of paystubs can all be managed by the employee and not a Human Resource specialist. This option reduces the need for employees whose primary task is to update employees’ records.

Instead, this software can assist an organization in achieving efficiency and productivity. “This provides you an edge by enabling you to focus on your core business”, says Tim Padva in a review of an HRIS.

Organizations must consider a number of variables and be patient when implementing a HRIS. The task is an overwhelming one and can take three to nine months to complete according to Fox (as cited in Targowski and Despande, 2001). Fox goes on to state, “The process of selecting a HRIS is critical because a company typically has to live with the decision for eight years” (as cited in Targowski and Despande, 2001). This is all the more reason why organizations should carefully consider their needs, budget, and take time to identify the solution that will fit their needs.

Acquiring a specific HRIS that meets the requirements of a particular company can be a challenge (Padva). It is necessary to identify the specific business needs first. This includes identifying what the organization expects to gain from the solution. “All of the key stakeholders [have] to buy into the project [and] define what their needs [are] (Eversole, 2005). The subject matter experts in this field, typically Human Resource Managers, must be included in the project. This is especially important as it can be the difference between acceptance or resistance to the new product. O’Brien and Marakas states, “Direct end user participation in business planning and application development projects before a new system is implemented is especially important in reducing the potential for end user resistance” (p. 432).

Another important consideration for selection and implementation is security. Selecting a system that does not meet the minimum security requirements can make an organization a target for hackers. Additionally, fines can be associated with information that is divulged and is charged per incident/employee (Esposito & Novak, 2002). Padva suggests utilizing SSL

(Secured Sockets Layer) to ensure that the employees' personal data is encrypted and not easily hacked by unauthorized users. Part of the security includes ensuring that the passwords into the HRIS cannot be easily guessed so as to prevent unauthorized users from gaining access. (Padva, T.)

In conclusion, HRIS solutions have proven to be vital to the success of any organization. The efficiencies gained by tracking employee information in one database are invaluable. Any organization considering moving to this type of solution should carefully weigh the benefits with the cost, define their business needs, and not rush to implementation. When implemented correctly, a HRIS has many benefits including allowing an organization the ability to service their internal customers more effectively.

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